

GLOBAL NEWS LINE

BELGIUM

While the Belgian franchising industry is well established, it still offers attractive opportunities. According to the European Franchise Federation, the coming years will experience a significant increase in the number of franchise systems and franchisees in Belgium. However, locating a master franchisee requires time, resources, and determination.

American franchisers interested in the Belgian market should contact the U.S. Commercial Service before attempting to penetrate the market. The Commercial Service also recommends contacting the Belgian Franchise Federation and a franchise consultant accredited by the Belgian Franchise Federation. American firms should not attempt to do business in Belgium without obtaining local legal counsel.



Although Belgium is a highly developed country, the services sector seems to be lagging. In franchising, Belgium trails the United States by roughly 10 years and has yet to develop this services subsector. A slow economy, low interest rates, and cautious investments make this an opportune area for American firms.

SPAIN

Imported products largely supply Spanish demand for professional audio equipment. Local audio equipment production is limited and concentrates on parts, components, and loudspeakers.

The United States is a traditional supplier to Spain of these types of products, including amplifiers, loudspeakers, microphones, and earphones. These categories should continue to represent the bulk of U.S. exports to Spain of professional audio equipment in the near future.

POLAND

While worldwide sales of biotech products are escalating, the biotechnology industry in Poland is evolving and is still viewed mainly in scientific terms. Polish business has not yet discovered the commercial side of biotechnology. There are plenty of excellent ideas and advanced research projects conducted, but very little is done in the way of effective and profitable implementation. Further development of the biotech industry is largely dependent on business alliances with foreign entities and investors.

Due to the undeveloped nature of this sector, there may be opportunities for U.S. companies, including provision of equipment and materials used in medical and scientific laboratories, investment in biotechnology, and joint ventures with biotech companies and research institutions.

The underdevelopment of the biotechnology industry in Poland is largely attributed to the fact that the majority of local pharmaceutical companies

manufacture generic drugs with little or no research and development. With limited government support aimed at scientific research institutions only and no private investment in this area, the results of Polish biotech efforts will not be visible for many years.

UKRAINE

Ukraine has not yet developed a national infrastructure for waste management and disposal. A market for waste recycling equipment is emerging. A positive trend in increasing the proportion of recovered waste started in 2000 and was confirmed in 2001. Some 51 types of waste, which account for about 60 percent of waste generation, are now recovered or recycled. The most significant of these is the use of coal waste and steel slag as construction materials.

The military forces in Ukraine do a lot of recycling work, because they have started to collect used tires, oil, batteries, scrap metal, and other waste and organize their delivery to centralized processing or disposal facilities. A centralized system is also now being set up to dispose of unusable ammunition and explosives.

SAUDI ARABIA

Installed power generation capacity in Saudi Arabia is 23,438 megawatts, up 5 percent from last year. By 2010, Saudi Arabia will require an additional capacity of 20,000 megawatts at a projected cost of \$30 billion. The expected annual growth rate is 6 percent. SEC, Saline Water Conversion Corp., Saudi Aramco, and the newly founded Power and Utilities Company for Jubail and Yanbu (Marafiq) are currently constructing or planning 16 power generation projects valued at more than \$1 billion.

Saudi Arabia has 18 gas power generation plants, each connected to a 380 kV power transmission grid, and 19 diesel/gas power generation plants connected to a 110 kV power transmission grid. Expanding generation units of compound circulation and steam

generation stations have contributed significantly to increased power generation in Saudi Arabia. High demand for electricity was also fulfilled by using natural gas for operating these units, raising efficiency and reducing environmental pollution.

UNITED ARAB EMIRATES

The construction industry is one of the most active sectors of the UAE economy. The UAE government will spend more than \$20 billion over the next five years on infrastructure projects and construction of government, commercial, and residential buildings. The construction and tourism industries are the two major sectors of the local economy that continue to generate strong demand for building products.

The demand for building products is expected to grow rapidly as public and private sectors float new construction tenders. Current projects include construction of new high-rise commercial and residential buildings, houses, hotels, beach resorts, hospitals, schools, roads, public parks, shopping malls, and expansion of two major international airports.



SOUTH KOREA

In 2002, the South Korean sporting equipment market grew by approximately 20 percent, to reach \$882 million. Imports totaled \$359 million, up 32 percent over the \$272 million level in 2001. Imported sporting equipment accounted for 41 percent of the

domestic market in 2002, up slightly from 37 percent in 2001.

Over the past decade, South Korea's golf market has grown at an average annual rate of 10 percent. U.S. manufacturers dominate the golf club market, but they have lost considerable market share to Japanese rivals. Nonetheless, U.S. brands such as Callaway and TaylorMade continue to be highly regarded by many South Korean golfers, and demand for them shows few signs of softening. The most rapidly growing segments of South Korea's sporting goods market include fitness equipment, outdoor recreational equipment, inline skates, and running and cycling products. South Korean demand for these products is slated to rise by another 20 percent in 2003, as consumers increase their spending on sports and other outdoor activities. The key forces driving this growth include the gradual implementation of a five-day workweek, a growing emphasis on health and fitness, and increasing disposable income in South Korea.

COLOMBIA

The Colombian market for medical equipment, devices, and supplies changed considerably with the structural health care reform ordered by the 1991 Constitution. Its regulation and implementation started with Law 100 of 1993. The general system is operating, but some decision-makers complain that over-regulation has slowed down health care reform. Some goals, including universal coverage, are far from being met. The most significant reform changes were the termination of the government's monopoly on social security services and the providing of coverage, at no additional cost, to dependents of employees, who usually had lacked health care coverage before the reform. Under the new system, the private sector can participate in administering and providing health care services, thereby allowing individuals to choose among a wide range of public and private entities. In addition to the implementation of reform, this sector

has been slowed down by national and international economic recessions, slow de-bureaucratization of former monopolistic institutions, and by military conflict and political unrest in the country.

The Colombian import market for medical equipment, devices, and supplies for 2003 is estimated at \$188.1 million, and it is expected to grow at an average rate of 5 percent annually during 2004–2006. Although the United States' participation decreased from 49 percent in 2000, to 44 percent in 2001, to 42.6 percent in 2002, it is still the leading supplier of the sector. The United States is followed by Germany with 10.4, 12.6, and 11.4 percent, respectively, during the same three-year period, and by Brazil with shares of 7.7, 9.1, and 10.7 percent during this same period. Prospects for U.S. manufacturers of medical equipment, devices, and supplies will continue to be strong.

The sector maintains its traditionally high scientific level of diagnosis and treatment. Transplants are routinely and successfully performed in Bogotá, Cali, and Medellín. A significant number of private and some public health care providers operate with state-of-the-art technology and continue to demand the most advanced medical equipment, devices, and materials. Prospective U.S. exporters have the advantage of brand name recognition and end users' acceptance; however, they must consider the many changes resulting from the reforms and the sector's restricted economic resources in developing marketing strategies and finding attractive financing terms and conditions. ■

NEED MORE DETAIL?

Ask a commercial officer at one of the Department of Commerce posts located around the globe. Contact information, including phone, fax and e-mail, is available by calling the Trade Information Center at (800) USA-TRAD(E).